

Accountable Care Organizations (ACOs): Potential to Foster Quality While Reducing Costs

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Invitational Working Session
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Agenda

Welcome and Introductions

- Debra Ness, Disclosure Project and NPWF

Accountable Care Organizations: Issues for Consumers and Purchasers

- David Lansky, Disclosure Project and PBGH
- Sabrina Corlette, NPWF

Models of Accountable Care and the Importance of Quality Measurement to ACOs' Success

- Elliott Fisher, MD, MPH , The Dartmouth Institute for Health Policy and Clinical Practice

ACOs Taking Shape at the Local Level

- Jim Hester, Health Care Reform Commission in Vermont
- Kirk Stapleton, UnitedHealth Networks

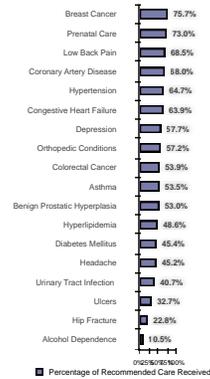
Federal Implementation

- Jon Blum, CMS

Roundtable Discussion

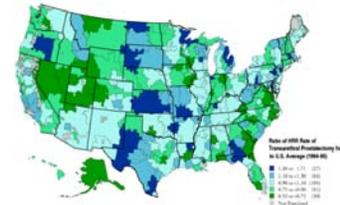
The System Too Often Fails to Provide Higher Quality Care

Adherence to Quality Indicators



Adults receive about half of recommended care:
 54.9% = Overall care
 54.9% = Preventive care
 53.5% = Acute care
 56.1% = Chronic care

Regional variation in quality and cost



Avoidable harm: 99,000 deaths in hospitals from health care acquired infection

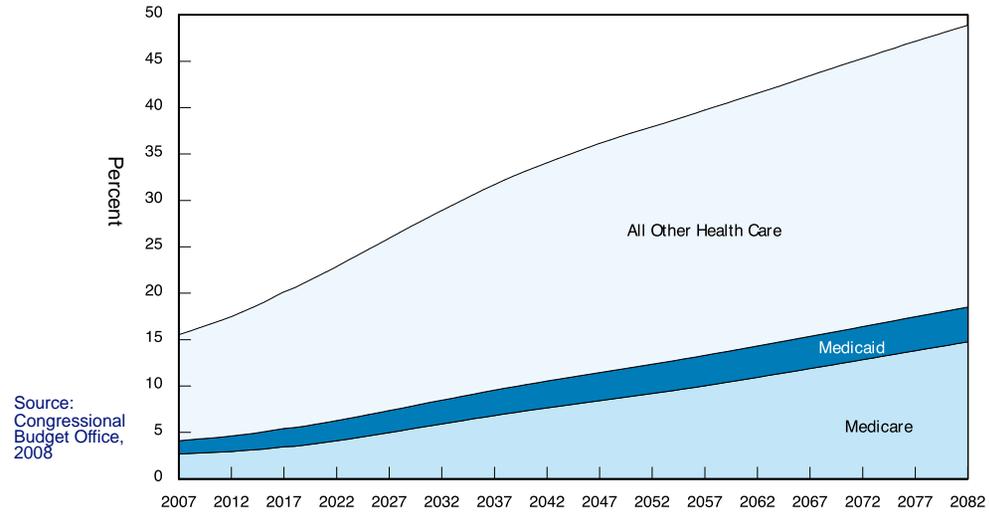
Overuse: 13 million unneeded antibiotic RX



US: 10th in life expectancy; 27th in infant mortality

Rising Costs Are Unsustainable for All

Projected Spending on Health Care as a Percentage of Gross Domestic Product



DISCLOSURE

PROJECT Improving Health Care Quality through Public Reporting of Performance

Many Policies for Delivery System Reform in the Patient Protection and Affordable Care Act (PPACA)

Major Policy Area	Value Policies in PPACA
Priority Setting, Performance Measurement, Quality Improvement	<ul style="list-style-type: none"> • Priority Setting & Coordination • Multi-Stakeholder Input on USE of Measures • Measure Development & Endorsement • Quality Improvement Support
Public Reporting	<ul style="list-style-type: none"> • Broad Plan for Public Reporting • Expansion of “Compare” Web sites • Release of Medicare Data
Comparative Effectiveness (Patient-Centered Outcomes Research)	<ul style="list-style-type: none"> • New independent entity
Health Information Technology	<ul style="list-style-type: none"> • Builds on the HITECH incentives • Promotes Telehealth • Supports Administrative Efficiency
Population Health and Wellness	<ul style="list-style-type: none"> • Expanded preventive services coverage • Prevention and Public Health Fund • National Prevention and Health Promotion Council and Strategy

See http://www.healthcaredisclosure.org/docs/files/Disclosure_PPACA_SummaryDeliveryPaymentReform.pdf for summaries.

ACOs One of Many Policies for Reforming Payment in PPACA

Major Policy Area	Value Policies in PPACA
Payment and Delivery	<ul style="list-style-type: none">• CMS Innovation Center• Piloting of New Programs<ul style="list-style-type: none">• Accountable Care Organizations• Medical Home• Bundled Payments• Shared Decision-making• Global Capitation• value-based purchasing, etc.• Independent Payment Advisory Board• Hospital Payment<ul style="list-style-type: none">• Value-based Purchasing• Readmissions• Healthcare Acquired Conditions• Physician Payment<ul style="list-style-type: none">• Value-based Payment Modifier• Physician Quality Reporting Initiative

What are Accountable Care Organizations?

MedPAC Definition:

Providers held accountable for total spending and quality of care for a defined patient population. ACOs would consist of primary care physicians, specialists, and at least one hospital.

PPACA Definition/Examples:

Groups of providers of services and suppliers that have established a mechanism for shared governance [and meet criteria specified by the Secretary] are eligible to participate as ACOs under the program under this section:

- (A) ACO professionals in group practice arrangements.
- (B) Networks of individual practices of ACO professionals.
- (C) Partnerships or joint venture arrangements between hospitals and ACO professionals.
- (D) Hospitals employing ACO professionals.
- (E) Such other groups of providers of services and suppliers as the Secretary determines appropriate.

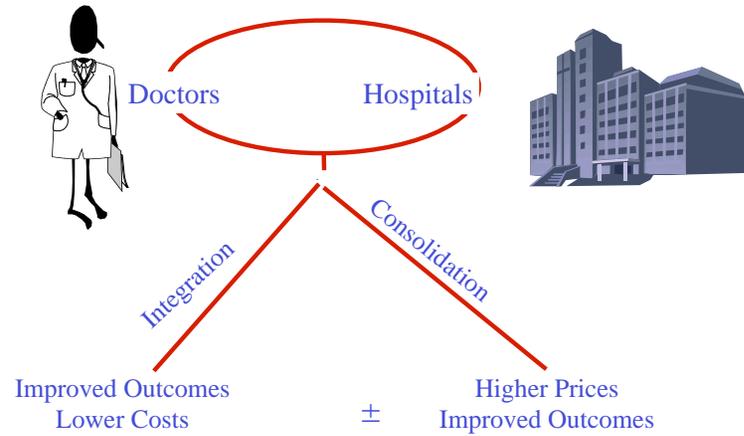
ACOs “Done Right” Have Promise for Improved Quality and Affordability

- Promotes holistic view of patient and care continuum rather than discrete events
- Fosters care coordination and management among providers
- Incorporates shared decision-making between patients/caregivers and practitioners
- Focuses on patient outcomes and continuous quality improvement
- Supports value through accountability for both quality measures and costs
- Drives alignment between public and private sector

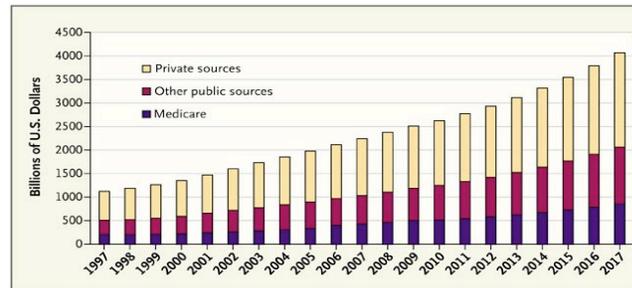
Big Issue #1: Are ACOs Delivering on Their Fullest Potential?

- Meaningful and significant improvements in quality and care coordination are realized
- Meaningful and significant savings are realized in both short- and long-term
- Care delivery is patient-centered
- Ensuring accountability in a shared responsibility environment

Big Issue #2: Beware of Emerging Cartels



Big Issue #3: Alignment Between Public and Private Sectors



The full story:

- Medicare represents only 19% of total health spending
- Medicare IS the largest single payer
- Medicare CAN have an important sentinel effect
- Many efforts need to promote consistency across payers

Source: Lee, Berenson, Tooker, *Payment Reform – The Need to Harmonize Approaches in Medicare and the Private Sector*, NEJM, January 2010.

Big Issue #4: Patient-Centered Provisions Are in Place

- Transparency in the program
- Adequate access to providers and needed care
- Safe guards against “cherry picking” and avoiding high-risk patients
- Appeals mechanisms
- Oversight and monitoring of impact
- Patient experience and evaluation based on patient-centered metrics are essential

About the Disclosure Project

The Consumer-Purchaser Disclosure Project is an initiative that is improving health care quality and affordability by advancing public reporting of provider performance information so it can be used for improvement, consumer choice, and as part of payment reform. The Project is a collaboration of leading national and local employer, consumer, and labor organizations whose shared vision is for Americans to be able to select hospitals, physicians, and treatments based on nationally standardized measures for clinical quality, consumer experience, equity, and efficiency. The Project is funded by the Robert Wood Johnson Foundation along with support from participating organizations.

Previous Discussion Forums are available at: <http://healthcaredisclosure.org/activities/forums/>

For More Information Contact:

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Consumer and Purchaser Issues Regarding Accountable Care Organizations

- Are ACOs Delivering on Their Fullest Potential?
- Beware of Emerging Cartels
- Alignment Between Public and Private Sectors
- Patient-Centered Provisions Are in Place